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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Establish Policies, Processes, and Rules to Ensure Reliable Electric Service in California in the Event of an Extreme Weather Event in 2021.

Rulemaking 20-11-003

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

This Scoping Memo and Ruling sets forth the issues, need for hearing, schedule, category, and other matters necessary to scope this proceeding pursuant to Public Utilities (Pub. Util.) Code Section 1701.1. and Article 7 of the Commission's Rules of Practice and Procedure.

1. Procedural Background

A prehearing conference (PHC) was held on December 15, 2020 to discuss the issues of law and fact, determine the need for hearing, set the schedule for resolving the matter, and address other matters as necessary. After considering the comments and reply comments to the Order Instituting Rulemaking (OIR) and discussion at the prehearing conference, I have determined the issues and initial schedule of the proceeding to be set forth in this scoping memo.

2. Issues

This rulemaking will address two primary issues: how to increase energy supply and decrease demand during the peak demand and net demand peak hours in the event that a heat storm similar to the August 2020 storm occurs in the summer of 2021. This rulemaking primarily focuses on those actions that the Commission can adopt by April 2021 and that the parties can implement before

or during the summer of 2021. All issues scoped into this proceeding shall also include considerations of (1) safety, (2) reliability, (3) load and supply impact, and (4) cost allocation.

1. Increase supply during peak and net peak demand hours
 - a. Expedited procurement that could be online by summer 2021 and 2022, including the expansion of gas-fired generation assets
 - i. How to implement to meet 2021 reliability needs
 - b. Potential mechanism to update the resource adequacy (RA) requirements for summer 2021, in response to analyses from the California Energy Commission (CEC), California Independent System Operator (CAISO), and California Public Utilities Commission (CPUC) regarding load forecasts
 - c. Potential support for the CAISO's Capacity Procurement Mechanism (CPM) to procure additional capacity for summer 2021
 - d. Stack analysis of resource availability and needs for summer 2021
 - e. Expedited Load Serving Entity (LSE) Integrated Resources Planning (IRP) procurement
 - i. LSE incentive mechanism to expedite the resource procurement process
 - ii. How to ensure an incentive mechanism does not unreasonably increase costs to ratepayers
 - f. Other opportunities to increase supply for summer 2021
2. Reduce demand during peak and net peak demand hours
 - a. Flex Alert paid media and social media
 - i. Program design and budget
 - ii. Administration and oversight
 - iii. Interface with other programs

- b. Critical Peak Pricing (CPP)
 - i. Number of allowed events per year
 - ii. Marketing/customer education and program participation
 - iii. Modifications to the event window
 - iv. Non-IOU LSE consideration of offering CPP
 - v. Other CPP issues
- c. Out-of-market and outside of the RA framework emergency load reduction program (ELRP) that could be dispatched by CAISO/investor-owned utilities (IOUs)
 - i. Program design elements
 - 1. Dispatch conditions & notification times
 - 2. Compensation level
 - 3. Load reduction measurement & testing
 - 4. Target customer segments
 - 5. Eligibility issues (e.g., dual participation)
 - 6. Other program requirements
 - ii. Interactions with existing supply-side and load-modifying programs
 - iii. Behind the meter (BTM) hybrid solar-plus-storage asset and stand-alone storage participation and discharge of available capacity in excess of onsite load (aka “exports”)
 - Potential interconnection, safety, and reliability considerations
 - iv. Participation of BTM supply resources without firm capacity contracts
 - v. Back-up generation (BUG) participation
 - vi. Other considerations

- d. Modifications to the reliability demand response (DR) programs, including Base Interruptible Program, Agriculture Pump Interruptible, Air Conditioner cycling
 - i. Trigger before the warning stage
 - ii. Expansion of the 2% cap
 - iii. Mid- or partial-year enrollment
 - iv. Trigger notification time
 - v. Increase incentives or reduction in penalties
 - vi. Other considerations
- e. Modifications to Proxy Demand Resources such as the Capacity Bidding Program:
 - i. Changes to Capacity Bidding Program attributes and measures to increase participation
 - ii. Price bid caps into wholesale markets
 - iii. Other considerations
- f. Other Considerations for Demand Response Resources:
 - i. Cost-Effectiveness considerations
 - ii. Role of Smart Thermostats
 - iii. Measures to minimize potential attrition and loss of capacity in existing utility DR programs
 - iv. Measures to improve performance of utility and third-party demand response resources
- g. Electric vehicle load
 - i. Participation in IOU DR, Demand Response Auction Mechanism (DRAM), or non-IOU LSE DR programs
- h. Other opportunities to reduce peak demand and net peak demand hours in summer 2021

3. Need for Evidentiary Hearing

This Commission preliminarily determined that hearings are not needed. In comments in response to the OIR and in discussion at the PHC, parties indicated that there may be material issues of fact that are in dispute.

Accordingly, I change the preliminary determination in the OIR and find that evidentiary hearing may be needed, provided a party moves to request an evidentiary hearing in accordance with the requirements outlined in the next paragraph.

Any party who believes that an evidentiary hearing is required should file and serve a motion requesting such a hearing in accordance with the schedule as indicated in this Scoping Ruling and Memo. Any such motion must identify and describe (i) the material issues of disputed fact, (ii) the evidence the party proposes to introduce at the requested hearing, and (iii) the schedule for conducting the hearing. The motion shall also state a justification for hearing and what the moving party would seek to demonstrate through hearing. It shall also contain anything else necessary for the Commission to make an informed decision on the motion. Any right that a party may otherwise have to an evidentiary hearing will be waived if the party does not submit a timely motion requesting an evidentiary hearing. The record shall be composed of all filed and served documents and shall include evidence received at a hearing if a motion for hearing is granted.

4. Schedule

The following schedule is adopted here and may be modified by the Administrative Law Judge (ALJ) as required to promote the efficient and fair resolution of the Rulemaking.

The schedule for issues addressed in the December 11, 2020 e-mail ruling regarding capacity procurement will be finalized in an assigned commissioner ruling that will be issued shortly after the comments to the December 11, 2020 e-mail ruling are due on December 18, 2020.

The remainder of the schedule, including the schedule to address issues not addressed in the December 11, 2020 ruling, is as follows:

Event	Date due
Prehearing Conference	December 15, 2020
Staff proposals and questions released	December 18, 2020
Scoping ruling	Week of December 21, 2020
Assigned Commissioner’s ruling in response to the comments to the December 11, 2020 e-mail ruling on capacity issues	Late December 2020
Opening testimony	January 11, 2021
Reply testimony	January 18, 2021
Motion for evidentiary hearing filed and served no later than	January 19, 2021
Evidentiary Hearing (if needed)	January 21 and 22, 2021
Opening legal and policy briefs	February 05, 2021
Reply legal and policy briefs	February 12, 2021
Proposed Decision	Early to mid-March 2021
Final Decision	March to April 2021

5. Category of Proceeding and *Ex Parte* Restrictions

The Commission preliminarily determined that this is a quasi-legislative proceeding.¹ After considering the opening and reply comments to the OIR and

¹ OIR at 15.

discussion at the PHC, the category is hereby changed to ratesetting.

Accordingly, *ex parte* communications are restricted pursuant to Article 8 of the Rules.

6. Public Outreach

Pursuant to Pub. Util. Code Section 1711(a), I hereby report that the Commission sought the participation of those likely to be affected by this matter by noticing it in the Commission’s monthly newsletter that is served on communities and business that subscribe to it and posted on the Commission’s website.

In addition, the Commission served the Order Instituting Rulemaking/Investigation on the official service lists for the following proceedings:

Proceeding Topic	Proceeding Number
Base Interruptible Program	A.05-06-006 et al.
Demand Response	R.13-09-011 and A.17-01-012 et al.
Evaluation of Integrated Distributed Energy Resource Programs	R.14-10-003
Energy Efficiency	R.20-08-022
Energy Storage	A.20-03-002 et al.
Integrated Resource Planning and Related Procurement Processes	R.20-05-003
Interconnection of Distributed Energy Resources and Improvements to Rule 21	R.17-07-007

Power Charge Indifference Adjustment	R.17-06-026
PG&E GRC Phase I	A.20-06-012
SCE GRC	A.19-08-013
SDG&E GRC	A.17-10-007 et al.
Resource Adequacy	R.17-09-020 and R.19-11-009

In addition, this OIR was served on the following state and local agencies and other entities: the California Independent System Operator and the California Energy Commission.

7. Intervenor Compensation

Pursuant to Pub. Util. Code Section 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by January 14, 2021, 30 days after the PHC.

8. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the “Add Public Comment” button on the “Public Comment” tab of the online docket card for the proceeding.

9. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission’s procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission’s Public Advisor at 866-849-8390 or 866-836-7825 (TYT), or send an e-mail to public.advisor@cpuc.ca.gov.

10. Filing, Service, and Service List

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is correct, and serve notice of any errors on the Commission's Process office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents. When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the "Information Only" category of the official service list pursuant to Rule 1.9(f).

11. Service of Documents on Commissioners and Their Personal Advisors

Rule 1.10 requires only electronic service on any person on the official service list, other than the ALJ.

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide

electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

12. Assignment of Proceeding

Marybel Batjer is the assigned Commissioner and Brian Stevens is the assigned ALJ and presiding officer for the proceeding.

IT IS RULED that:

1. The scope of this proceeding is described above.
2. The schedule of this proceeding is set forth above.
3. Evidentiary hearing is needed.
4. The presiding officer is Administrative Law Judge Brian Stevens.
5. The category of the proceeding is ratesetting.

This order is effective today.

Dated December 21, 2020, at San Francisco, California.

/s/ MARYBEL BATJER

Marybel Batjer
Assigned Commissioner